

Donna H. Carvalho
Senior Counsel, Regulatory
Legal

PHILLIPS 66
P.O. Box 4413
Houston, TX 77210
Phone 832-765-1214



August 30, 2017

Via Certified Mail Return Receipt Requested

Director, Air Enforcement Division
Office of Civil Enforcement
U.S. Environmental Protection Agency
Mail Code 2242-A
1200 Pennsylvania Avenue, N.W.
Ariel Rios Building South
Room 1119
Washington, DC 20460-0001

Chief
Air, Toxics, and Inspections Coordination Branch
Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, TX 75202-2733

Chief
Environmental Enforcement Section
Environment and Natural Resources Division
United States Department of Justice
ATTN: MS. Annette Lang
P.O. Box 7611, Ben Franklin Station
Washington, DC 20044-7611

Director, Air Enforcement Division
Office of Civil Enforcement
c/o Matrix New World Engineering Inc.
26 Columbia Turnpike, 2nd Floor
Florham Park, NJ 07932

Administrator, Enforcement Division
Office of Environmental Compliance
Louisiana Department of Environmental Quality
P. O. Box 4312
Baton Rouge, LA 70821-4312

Via Certified Mail Return Receipt Requested

RE: Force Majeure Notifications
Pursuant to Civil Action H-05-0258 United States v. Phillips 66 Company and H-01-4430 United States v. Conoco

Dear Ladies and Gentlemen:

Paragraphs 382 and 262, respectively, of the referenced Consent Decrees (Civil Action H-05-0258 and H-01-4430) between the United States, Louisiana and other states and localities and Phillips 66 Company (or its predecessor in interest, ConocoPhillips) contain specific provisions for invoking force majeure. The purpose of this letter is to provide EPA and Louisiana notice of the force majeure event (the landfall of Hurricane Harvey) which has led to or will lead to Phillips 66's inability to comply with certain Consent Decree and other Clean Air Act or state air

DISTRIBUTION

August 30, 2017

Page 2 of 4

emission program requirements. As reported in the national news, Hurricane Harvey has meandered along the Texas and Louisiana coasts dumping record levels of rainfall in both states.

Hurricane Harvey initially made landfall in south central Texas on Friday, August 25, 2017 and again as a tropical storm on Tuesday, August 29, 2017 along the Texas and Louisiana border. As the effects of the Hurricane became more dire, Phillips 66 safely shut down its Sweeny Refinery in Old Ocean Texas on August 27, 2017 and began reducing operations at the Lake Charles Refinery on August 29, 2017.

By this letter Phillips 66 is requesting suspension of certain Consent Decree requirements and enforcement discretion for other Clean Air Act or state air regulations. The requirements noted here are those which are of immediate concern. Phillips 66 notes that other issues may be identified as it continues to assess the impact of the storm at its facilities. Phillips 66 will notify the addressees of this letter of other issues as they become apparent.

At this time, Phillips 66 requests suspension of the following requirements for the timeframes shown:

Requirements Related to Leak Detection and Repair (LDAR) and Benzene Waste NESHAPs (BWON) at the Sweeney and Lake Charles Refineries. The shutdown of the Sweeney Refinery and the ongoing storm preparation and/or response actions necessary to protect operations at the Lake Charles Refinery have prevented each facility from complying with certain LDAR and Benzene Waste NESHAPs provisions of the Consent Decree. Obvious examples include missed repair attempts, incomplete or missed monthly or quarterly component monitoring, missed weekly inspections, and delayed canister change outs. Phillips 66 requests a suspension of the LDAR and BWON requirements from August 25, 2017 for both the Sweeney and Lake Charles Refineries until approximately October 15, 2017. It is anticipated that this will be long enough to assess damage at the facilities and to return each facility to normal operation. If less or more time is needed, Phillips 66 will notify the Agencies of the revised time schedule.

Flaring related to Startup or Shutdown for the Hurricane. Each of the Refineries requests that all flaring from the shutdown and/or startup of refinery units related to shutting in the units due to the hurricane be covered by this force majeure letter. This includes flaring that is subject to Consent Decree provisions as well as any flaring that could be subject to NSPS Subpart J or Ja requirements as appropriate. The facilities have endeavored to follow their shutdown procedures for emergency or "cold" shutdowns and will follow the existing procedures for restarting the affected units. The Refineries will also prepare root cause analyses for the related flaring events.

Lake Charles Flaring of Propane and Propylene. The Lake Charles Refinery may need to flare propane and propylene if the pipelines and/or trucking companies which normally load these materials cannot take timely delivery of the materials. Flaring of these materials may cause the Refinery to exceed its NSPS Subpart Ja flow baseline.

Additionally, although Phillips 66 is not requesting any specific action or forbearance for the items noted below at this time, it is making the Agency aware that there could be additional or updated notifications related to the following:

Sweeney: The Refinery sustained flooding during Harvey. As water is pumped out of the processing areas, additional concerns may be identified. There is some concern that one or more continuous emissions monitors may have been water logged.

DISTRIBUTION

August 30, 2017

Page 3 of 4

Alliance: The Phillips 66 Alliance Refinery located south of New Orleans, Louisiana is currently monitoring the area's rainfall and will reduce or shutdown operations if needed. It is most concerned about whether it will be able to receive its pre-storm scheduled shipments of caustic for use in its wet gas scrubber. Additionally, if significant rain continues to fall or accumulate in the area, the Refinery is concerned about missing future leak detection and repair (LDAR) and/or benzene waste operation monitoring (BWON) deadlines. Phillips 66 will update the Agency on Alliance's status as needed.

If it appears that additional requirements require suspension and/or more or less time to return to normal compliance, Phillips 66 will contact the Agencies again. As always, Phillips 66 is willing to discuss these events and this request at your convenience.

As the local U. S. post office is not open for business today, an electronic copy will be sent to the names noted below as receiving an e-copy and certified copies will be sent to all other recipients upon reopening of the post office.

Respectfully submitted,

A handwritten signature in cursive script, reading "Donna H. Carvalho". The signature is written in dark ink and is positioned above the printed name.

Donna H. Carvalho

DISTRIBUTION

August 30, 2017

Page 4 of 4

ec: Annette.Lang@usdoj.gov
csullivan@matrixnewworld.com
foley.patrick@epa.gov
lundelius.diana@epa.gov
R6CAACDDeliverables@epa.gov
Fried.Gregory@epa.gov

cc: D. Erfert
N. Faulkner
T. Goedecker
R. Harbison
C. Wyman Jordy
D. Meyers
L. Poche

Certified Receipt Numbers:

Director, Air Enforcement Division, OECA, EPA	7017 0190 0001 1885 6897 / 9590 9402 2998 7094 5612 48
Chief, EES/ENRD, DOJ	7017 0190 0001 1885 6903 / 9590 9402 2998 7094 5612 62
Director, AED, OECA, EPA via Matrix	7017 0190 0001 1885 6842 / 9590 9402 2998 7094 5612 55
Chief, Air Toxics, EPA Region 6	7017 0190 0001 1885 6866 / 9590 9402 2998 7094 5613 16
Administrator, Env. Division, OEC, Louisiana	7017 0190 0001 1885 6859 / 9590 9402 2998 7094 5612 79

Donna H. Carvalho
Senior Counsel, Regulatory
Legal

PHILLIPS 66
P.O. Box 4413
Houston, TX 77210
Phone 832-765-1214



August 30, 2017

Via Certified Mail Return Receipt Requested

Director, Air Enforcement Division
Office of Civil Enforcement
U.S. Environmental Protection Agency
Mail Code 2242-A
1200 Pennsylvania Avenue, N.W.
Ariel Rios Building South
Room 1119
Washington, DC 20460-0001

Chief
Air, Toxics, and Inspections Coordination Branch
Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, TX 75202-2733

Chief
Environmental Enforcement Section
Environment and Natural Resources Division
United States Department of Justice
ATTN: MS. Annette Lang
P.O. Box 7611, Ben Franklin Station
Washington, DC 20044-7611

Director, Air Enforcement Division
Office of Civil Enforcement
c/o Matrix New World Engineering Inc.
26 Columbia Turnpike, 2nd Floor
Florham Park, NJ 07932

Administrator, Enforcement Division
Office of Environmental Compliance
Louisiana Department of Environmental Quality
P. O. Box 4312
Baton Rouge, LA 70821-4312

Via Certified Mail Return Receipt Requested

RE: Force Majeure Notifications
Pursuant to Civil Action H-05-0258 United States v. Phillips 66 Company and H-01-4430 United States v. Conoco

Dear Ladies and Gentlemen:

Paragraphs 382 and 262, respectively, of the referenced Consent Decrees (Civil Action H-05-0258 and H-01-4430) between the United States, Louisiana and other states and localities and Phillips 66 Company (or its predecessor in interest, ConocoPhillips) contain specific provisions for invoking force majeure. The purpose of this letter is to provide EPA and Louisiana notice of the force majeure event (the landfall of Hurricane Harvey) which has led to or will lead to Phillips 66's inability to comply with certain Consent Decree and other Clean Air Act or state air

DISTRIBUTION

August 30, 2017

Page 2 of 4

emission program requirements. As reported in the national news, Hurricane Harvey has meandered along the Texas and Louisiana coasts dumping record levels of rainfall in both states.

Hurricane Harvey initially made landfall in south central Texas on Friday, August 25, 2017 and again as a tropical storm on Tuesday, August 29, 2017 along the Texas and Louisiana border. As the effects of the Hurricane became more dire, Phillips 66 safely shut down its Sweeny Refinery in Old Ocean Texas on August 27, 2017 and began reducing operations at the Lake Charles Refinery on August 29, 2017.

By this letter Phillips 66 is requesting suspension of certain Consent Decree requirements and enforcement discretion for other Clean Air Act or state air regulations. The requirements noted here are those which are of immediate concern. Phillips 66 notes that other issues may be identified as it continues to assess the impact of the storm at its facilities. Phillips 66 will notify the addressees of this letter of other issues as they become apparent.

At this time, Phillips 66 requests suspension of the following requirements for the timeframes shown:

Requirements Related to Leak Detection and Repair (LDAR) and Benzene Waste NESHAPs (BWON) at the Sweeney and Lake Charles Refineries. The shutdown of the Sweeney Refinery and the ongoing storm preparation and/or response actions necessary to protect operations at the Lake Charles Refinery have prevented each facility from complying with certain LDAR and Benzene Waste NESHAPs provisions of the Consent Decree. Obvious examples include missed repair attempts, incomplete or missed monthly or quarterly component monitoring, missed weekly inspections, and delayed canister change outs. Phillips 66 requests a suspension of the LDAR and BWON requirements from August 25, 2017 for both the Sweeney and Lake Charles Refineries until approximately October 15, 2017. It is anticipated that this will be long enough to assess damage at the facilities and to return each facility to normal operation. If less or more time is needed, Phillips 66 will notify the Agencies of the revised time schedule.

Flaring related to Startup or Shutdown for the Hurricane. Each of the Refineries requests that all flaring from the shutdown and/or startup of refinery units related to shutting in the units due to the hurricane be covered by this force majeure letter. This includes flaring that is subject to Consent Decree provisions as well as any flaring that could be subject to NSPS Subpart J or Ja requirements as appropriate. The facilities have endeavored to follow their shutdown procedures for emergency or "cold" shutdowns and will follow the existing procedures for restarting the affected units. The Refineries will also prepare root cause analyses for the related flaring events.

Lake Charles Flaring of Propane and Propylene. The Lake Charles Refinery may need to flare propane and propylene if the pipelines and/or trucking companies which normally load these materials cannot take timely delivery of the materials. Flaring of these materials may cause the Refinery to exceed its NSPS Subpart Ja flow baseline.

Additionally, although Phillips 66 is not requesting any specific action or forbearance for the items noted below at this time, it is making the Agency aware that there could be additional or updated notifications related to the following:

Sweeney: The Refinery sustained flooding during Harvey. As water is pumped out of the processing areas, additional concerns may be identified. There is some concern that one or more continuous emissions monitors may have been water logged.

DISTRIBUTION

August 30, 2017

Page 3 of 4

Alliance: The Phillips 66 Alliance Refinery located south of New Orleans, Louisiana is currently monitoring the area's rainfall and will reduce or shutdown operations if needed. It is most concerned about whether it will be able to receive its pre-storm scheduled shipments of caustic for use in its wet gas scrubber. Additionally, if significant rain continues to fall or accumulate in the area, the Refinery is concerned about missing future leak detection and repair (LDAR) and/or benzene waste operation monitoring (BWON) deadlines. Phillips 66 will update the Agency on Alliance's status as needed.

If it appears that additional requirements require suspension and/or more or less time to return to normal compliance, Phillips 66 will contact the Agencies again. As always, Phillips 66 is willing to discuss these events and this request at your convenience.

As the local U. S. post office is not open for business today, an electronic copy will be sent to the names noted below as receiving an e-copy and certified copies will be sent to all other recipients upon reopening of the post office.

Respectfully submitted,

Donna H. Carvalho

DISTRIBUTION

August 30, 2017

Page 4 of 4

ec: Annette.Lang@usdoj.gov
csullivan@matrixnewworld.com
foley.patrick@epa.gov
lundelius.diana@epa.gov
R6CAACDDeliverables@epa.gov
Fried.Gregory@epa.gov

cc: D. Erfert
N. Faulkner
T. Goedeker
R. Harbison
C. Wyman Jordy
D. Meyers
L. Poche

Certified Receipt Numbers:

Director, Air Enforcement Division, OECA, EPA	7017 0190 0001 1885 6897 / 9590 9402 2998 7094 5612 48
Chief, EES/ENRD, DOJ	7017 0190 0001 1885 6903 / 9590 9402 2998 7094 5612 62
Director, AED, OECA, EPA via Matrix	7017 0190 0001 1885 6842 / 9590 9402 2998 7094 5612 55
Chief, Air Toxics, EPA Region 6	7017 0190 0001 1885 6866 / 9590 9402 2998 7094 5613 16
Administrator, Env. Division, OEC, Louisiana	7017 0190 0001 1885 6859 / 9590 9402 2998 7094 5612 79

From: Carvalho, Donna H. (LDZX) <Donna.H.Carvalho@p66.com>
Sent: Wednesday, August 30, 2017 5:00 PM
To: Lang, Annette (ENRD); 'csullivan@matrixnewworld.com'; Foley, Patrick; Lundelius, Diana; R6CAACDDeliverables; Fried, Gregory; Fogarty, Johnpc
Subject: Conoco Phillips Force Majeure Letter Re Hurricane Harvey
Attachments: P66 FM Ltr 2017.tiff; 2107 Harvey 1st FM notificationunsigned.pdf

Attached please find Phillips 66 Force Majeure letter related to Hurricane Harvey and its known and anticipated impacts on our Sweeney, Texas, Lake Charles, Louisiana and Belle Chasse, Louisiana (Alliance) refineries. I have attached a signed "TIF" file and an easier to read "pdf" unsigned copy.

I can be reached at 281-785-6030 if you have questions.

Certified copies have been prepared and will be sent out tomorrow if the local post office is open. Otherwise I will try again on Friday or Saturday.

For those of who whom I know personally, I am blessed to report that my home and family are dry and well.

Donna H Carvalho
Senior Counsel

O: (+1) 832.765.1214 | M: (+1) 281.785.6030 | F: (+1) 832.765.0109
N1356 | 2331 CityWest Blvd. | Houston, TX 77042

Phillips 66

This information is intended only for the person it is addressed and may contain confidential information and/or privileged material. Any review, dissemination or other use by anyone other than the intended recipient is prohibited.